

APPENDIX - 3

Public Law 13-39

PL 13-39



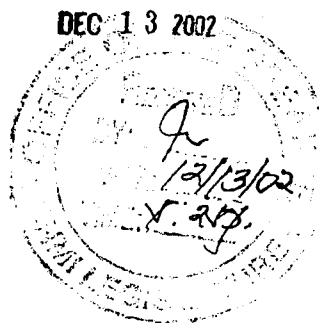
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Juan N. Babauta
Governor

GOV. COMM. 13-371
(HOUSE)

Diego T. Benavente
Lieutenant Governor

The Honorable Heinz S. Hofschneider
Speaker, House of Representatives
Thirteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950



The Honorable Paul A. Manglona
Senate President
Thirteenth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have signed into law House Bill No. 13-228, entitled, "To amend Sections 3, 4, and 5 of PL 13-17, as amended by PL 13-25; and for other purposes," which was passed by the Thirteenth Northern Marianas Commonwealth Legislature.

I am pleased to sign this bill into law. Its quick passage illustrates the united intentions of the Legislature and this Administration working together to expedite resolution of this issue. Many of our people have been waiting patiently for compensation from this government and we thank them for their patience.

This bill becomes Public Law No 13-39. Copies bearing my signature are forwarded for your ready reference.

Sincerely,

A handwritten signature of Juan N. Babauta in black ink.

JUAN N. BABAUTA

CC: Marianas Public Lands Authority
Commonwealth Development Authority
Department of Finance
Programs and Legislative Review Office

2571-6



The House of Representatives
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. Box 500586
Saipan, MP 96950

December 4, 2002

Public Law No. 13 39

The Honorable Paul A. Manglona
Acting Governor
Commonwealth of the Northern
Mariana Islands
Capitol Hill
Saipan, MP 96950

Dear Acting Governor Manglona:

I have the honor of transmitting herewith H. B. NO. 13-228, entitled, "To amend sections 3, 4, and 5 of PL 13-17, as amended by PL 13-25; and for other purposes." The Bill was passed by the House of Representatives and the Senate of the Thirteenth Northern Marianas Commonwealth Legislature.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "E. Fleming", is written over a circular stamp.

Evelyn C. Fleming
House Clerk

Attachment



HOUSE OF REPRESENTATIVES
THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

Public Law No. 13 -39

H.B. NO. 13-228

AN ACT

TO AMEND SECTIONS 3, 4, AND 5 OF PL 13-17, **AS** AMENDED BY PL 13-25: AND FOR
OTHER PURPOSES.

In the HOUSE OF REPRESENTATIVES

Offered by Representatives: Jesus T. Attao, Heinz S. Hofschneider and Arnold I. Palacios

Date: November 27, 2002

Referred to: N/A
Public Hearing: None
Standing Committee Report: None

Action of the HOUSE OF REPRESENTATIVES

Passed First and Final Reading November 27, 2002

In the SENATE

Referred to: N/A
Public Hearing: None
Standing Committee Report: None

Action of the SENATE

Passed Final Reading November 27, 2002

Evelyn C. Fleming
House Clerk

THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

SECOND REGULAR SESSION, 2002

Public Law No. 13-39
H. B. NO. 13-228

A BILL FOR AN ACT

TO AMEND SECTIONS 3, 4, AND 5 OF PL 13-17, **AS** AMENDED BY PL 13-25; AND
FOR OTHER PURPOSES.

**BE IT ENACTED BY THE THIRTEENTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Intent and Purpose.** Interim financing is needed to secure the public
2 debt mandated under PL 13-17, as amended. The purpose of this Act is to clarify existing
3 language that, through the Commonwealth Development Authority, the Marianas Public
4 Lands Authority, in fulfilling its statutory mandate, may arrange for interim financing of the
5 public debt to fund the retirement of land compensation claims against the Commonwealth.

6 **Section 2. Repeal and Reenactment.** Section 3 of PL 13-17, as amended by PL
7 13-25, is repealed and reenacted to read as follows:
8

Section 3. **Public Debt Authorization.**

9 (a) This Act is a Bond Authorization Act within the meaning of PL 11-3. The
10 Commonwealth Development Authority (CDA) for and in the name and on behalf of
11 the Commonwealth is hereby authorized, at the request and after consultation with the
12 Marianas Public Lands Authority (MPLA), to issue in one or more series up to
13 \$40,000,000 in principal amount of general obligation bonds of the Commonwealth
14 for the purpose of completing the acquisition of various parcels of real property
15 through funding the retirement of land compensation claims against the
16 Commonwealth for land taking by eminent domain or other legal process. The CDA,
17 at the request of and after consultation with the MPLA, is also authorized to secure on
18 behalf of the Commonwealth bond proceeds anticipation financing for such purposes
19 from a financial institution in a principal amount up to \$40,000,000. In consultation

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HOUSE BILL NO. 13-228

1 with MPLA, CDA is further authorized to pledge as additional security for the bonds,
2 and for any interim financing for the Commonwealth, the Land Compensation Fund
3 established by Section 4 hereof, and on such priority and terms as CDA in
4 consultation with MPLA determines to be in the best interest of the Commonwealth.
5 The funds borrowed under the interim financing shall be retired from funds generated
6 by the bond issuance or from other sources, including pledged collateral, provided
7 herein for payment of the bonds.

8 (b) The public debt authorized herein shall be issued pursuant to and as
9 "bonds" within the meaning of Public Law 11-3 (4 CMC §§ 10451-10466) and
10 payable in United States currency and not in the equivalent amount of any foreign
11 currency.

12 (c) The authorization for public debt hereunder is made only for the purpose
13 of acquisition of real property through funding the retirement of land compensation
14 claims against the Commonwealth, and only to a total principal amount of
15 indebtedness not to exceed \$40,000,000 outstanding at any time, inclusive of any
16 commission or fee, and costs of issuance, reserves, credit enhancement or other
17 similar expenses.

18 (d) The public debt authorized herein is only authorized with a true interest
19 rate not exceeding 7% per annum simple interest on the principal amount remaining
20 outstanding and unpaid and with repayment terms not exceeding 30 years for payment
21 in full of principal and interest.

22 (e) The public debt authorized herein shall be backed by the full faith and
23 credit of the Commonwealth Government and shall be a debt of the Commonwealth.

24 **Section 3. Amendment.** Section 4 of PL 13-17 is amended by modifying existing
25 subsection (b), by adding a new subsection (c), by revising existing subsection (c) to be
26 redesignated as "(d)", and by redesignating affected subsections accordingly:

27 (b) The purpose of the Fund shall be to pay principal and interest on any
28 financing entered into by the Commonwealth for the acquisition of real property

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HOUSE BILL NO. 13-228

1 through funding of the retirement of land compensation claims against the
2 Commonwealth as authorized by this Act.

3 (c) The CDA, for and in the name and on behalf of the Commonwealth, may
4 pledge as additional security for, and provide for payment of, principal and interest on
5 the bonds and any interim financing from amounts in the Fund, and covenant not to
6 amend subparagraph (ii) of 4 CMC § 1403(e) as amended in Section 4 of this act in
7 any manner that would impair the security for the bonds or interim financing.

8 (d) Transfer of Bond Proceeds to MPLA. After satisfying any commission or
9 fee, costs of issuance, reserves, credit enhancement or other similar expenses, CDA
10 shall transfer the remaining balance of the bond proceeds to MPLA which shall
11 deposit these funds into an account separate from its operational accounts. The funds
12 in such account are hereby appropriated, without requiring further legislative
13 appropriation, for the purpose of paying out land compensation claims subject to
14 conditions necessary to maintain tax exemption of the bonds or any interim financing.
15 The Commissioner of MPLA shall have expenditure authority over the funds in the
16 account subject to approval of claims by the Board.

17 **Section 4. Repeal and Reenactment.** Subparagraph (ii) of 4 CMC § 1403(e), as
18 enacted by PL 13-17, and subsequently amended by PL 13-25, is repealed and reenacted to
19 read as follows:

20 (ii) After the amount in subparagraph (i) has been transferred, and
21 notwithstanding any law to the contrary, and beginning when the Commonwealth
22 initially obtains the interim or other financing authorized by this Act, the Department
23 of Finance shall deposit the balance of the amount of the liquid fuel tax collected
24 under 4 CMC § 1403(a) and the entire amount of the aviation tax collected under 4
25 CMC § 1403(b) into the Land Compensation Fund to the extent necessary to maintain
26 a balance in such Fund at all times sufficient to pay all principal of and interest on the
27 bonds becoming due during the next succeeding 12 months. Such funds are
28 continually appropriated for the sole purpose of paying the principal and interest on

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1 any financing, including any interim financing, authorized by this Act. Provided,
2 that, in the event the amount in the Land Compensation Fund is insufficient to cover
3 any requisite payment upon such financing, the Governor shall, notwithstanding any
4 law to the contrary, pay the remaining balance of such payment from the general
5 fund. The funds in the Land Compensation Fund shall be nonlapsing except, upon
6 certification by the Secretary of Finance that all principal and interest on all financing
7 has been paid in full and discharged, any funds remaining in the Land Compensation
8 Fund shall lapse to the general fund.

9 **Section 5. Severability.** If any provisions of this Act or the application of any such

14
15 repealed or under any rule, regulation or order adopted under the statutes. Repealers
16 contained in this Act shall not affect any proceeding instituted under or pursuant to prior law.
17 The enactment of the Act shall not have the effect of terminating, or in any way modifying,
18 any liability, civil or criminal, which shall already be in existence on the date this Act
19 becomes effective.

20 **Section 7. Article X, Section 3 Certification.** Upon passage of this bill by the
21 Legislature, by a vote of at least two-thirds of the members in each house, the Speaker of the

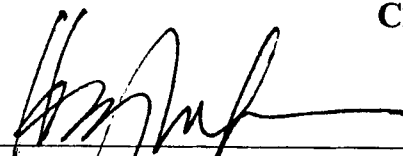
24 accordance with Article X, Section 3 of the Commonwealth Constitution. Such certification
25 and attestation shall form a part of the engrossed bill for transmittal to the Governor, and
26 shall serve as affirmation of the full faith and credit of the Commonwealth Government with
27 respect to this bond issuance.

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HOUSE BILL NO. 13-228

1 **Section 8. Effective Date.** This Act shall take effect upon its approval by the
2 Governor, or it becoming law without such approval.


Passed by the House of Representatives and by the Senate with the affirmative vote of
two-thirds of the members in each house.

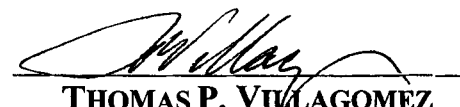
CERTIFIED BY:


HEINZ S. HOESCHNEIDER
SPEAKER OF THE HOUSE

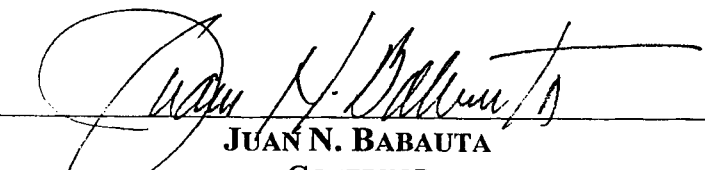

PAUL A. MANGLOÑA
PRESIDENT OF THE SENATE

ATTESTED TO BY:


EVELYN C. FLEMING
HOUSE CLERK


THOMAS P. VILLAGOMEZ
SENATE LEGISLATIVE SECRETARY

Approved THIS *13th* DAY OF *December*, 2002


JUAN N. BABAUTA
GOVERNOR
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS